

THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

National Intelligence Officers

DDI #2657-82
1 April 1982

MEMORANDUM FOR: Ambassador William Leonhart
Senior Review Panel

FROM : Major General Edward B. Atkeson, USA
National Intelligence Officer for General Purpose Forces

SUBJECT : NIC Strategic Assessments

25X1

1. I appreciated the opportunity to discuss with you your views on the responsibilities of the NIO's and of the NIC as a corporate entity. I particularly appreciated your remarks regarding the opportunities one has within the NIO system for exploring new avenues of investigation on an eclectic basis.

25X1

2. While I have not had sufficient time in the office to thoroughly develop or to focus my thoughts, my sense is that (very generally speaking) we may be doing a somewhat better job at political and economic assessments than we are in the strategic area. An example of the sort of observation which incline me toward such a judgment is the following:

Item: The Japanese cement industry has switched completely from oil to steam coal. Japanese steam coal imports more than doubled in the last year, and the amount of oil required to produce a unit of steel has dropped 43% in the last decade.

Item: Estimates of Mexican oil and natural gas reserves increased over 50% between 1980 and 1982.

Item: Great Britain has shifted from being an importer of over two million barrels of oil per day in 1973 to a net exporter of oil in 1982.

25X1

3. We have ample analyses of the political impact of a weakening OPEC and of the economic impact of falling oil prices. But I have not seen an equivalent strategic analysis. What, if anything, does this mean in the security area? Are we still as dependent upon Middle East oil as we were

25X1

CONFIDENTIAL

25X1

SUBJECT: NIC Strategic Assessments [REDACTED]

a decade ago? How do we know? Do we still have as clear a need for an RDJTF for protecting our access to Persian Gulf oil as we thought we did in the beginning? If so, why? If not, why not? Under what circumstances would oil begin to lose its value as a strategic commodity? These sorts of questions cause me to wonder about how complete a picture we are really providing to the policymakers for the design of our national strategy. I wonder, for example, if the guidance now being spelled out in NSSD 1-82 would still make sense in all of its particulars if we were to rigorously wring out all of the assumptions and background upon which it seems premised.

25X1

4. As our principal strategic document, NSSD 1-82 sets forth an order of priorities for both peace and war (however those terms are defined). Recognizing that this is a policy document, the Intelligence Community should be slow to critique, but it does seem to me that it should, as a minimum, insure that the threats and premises underlying the strategy are fairly assessed--and explicitly so. Strategy based upon what "everybody knows" has gotten us into trouble before.

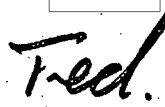
25X1

5. Finally, I would see the Intelligence Community operating in such a way that its identification of threats to US interests are conducive to the development of strategies for dealing with those threats, and further, that it remains sensitive to changes in the nature of the threats so that it might signal the need for any changes in strategy in a timely manner to the policymakers. (In the case of oil, I wonder if there may not have occurred an alteration in the degree of Western strategic dependency, and I wonder how the present organization and operation of the NIO's and the NIC would surface such a question if such had taken place.)

25X1

6. I am sure these sorts of questions--and perhaps some of the answers--will become clearer to me in time. In any event, I thank you for your insights and observations on the matter.

25X1



Edward B. Atkeson

cc: C/NIC

Distribution:

Orig - Addressee

1 - C/NIC

1 - DDI Registry

1 - NIO/GPF File

1 - NIO/GPF Chrono